

Illinois

Funding Basics

Formula Type

Illinois has a primarily resource-based funding formula. It determines the cost of delivering education in a district based on the cost of the resources, such as staff salaries and course materials, required to do so. The categories considered in Illinois' funding policy are students in certain grade levels, English-language learners, students from low-income households, students with disabilities, students identified as gifted, and students enrolled in career and technical education (CTE) programs. However, only a small proportion of state education funding is distributed through the formula. The bulk of state education aid is distributed based on historical allocation levels.

Illinois expects school districts to contribute revenue to the funding of public schools, with the amount of the local share based on districts' property values, in accordance with a multistep calculation. Districts in Illinois are permitted to raise and keep additional local revenues for regular district operations.

Supplemental funding for students in certain grade levels, English-language learners, students from low-income households, and students with disabilities is considered in the allocation of funding for staff costs. Services for students identified as gifted and students enrolled in CTE programs, along with some services for English-language learners and students with disabilities, are funded through program-specific allocations.

Base Amount

Illinois uses a resource-based funding formula and therefore does not use a base per-student amount as the basis for its funding.

However, districts continue to receive funding from the state that equals or exceeds the amount they received prior to the state's last major funding reform, which was calculated in part using a base amount.

Local Revenue

Expected Local Share

Illinois expects school districts to contribute revenue to the funding of public schools. The amount each district is expected to raise for its education costs is based primarily on its property values, in accordance with a multistep calculation.

A district's expected local share is calculated through a multistep formula that considers the ratio of a district's resources, including a measure of assessed property wealth, current state assistance, and revenue from the state's corporate personal property replacement tax, to its necessary funding amount. The remainder of a district's formula amount is meant to be funded by the state.

Districts continue to receive funding from the state that equals or exceeds the amount they received prior to the state's last major funding reform. Because it is guaranteed to all districts, this funding is counted as part of a district's local resources. Because the state plans to move toward full formula funding over the span of a number of years, annual increases in funding are distributed to districts with the greatest need for state assistance. To determine need, districts are assigned to a percentile ranking comparing their ratio of resources to education costs against those of all other districts. Districts are then sorted into tiers according to the degree to which their local resources can be expected to cover their local education costs, and a greater percentage of available state aid is distributed to districts with less ability to fund their own education costs.

Property Tax Floors and Ceilings

Illinois sets ceilings for local property tax rates and a level above which voter approval is required. Limits differ depending on the type of district and the type of tax.

For educational purposes, most elementary and secondary districts may levy tax rates of $9.20 for every $1,000 of assessed local property wealth without voter approval and $35.00 with voter approval, while K-12 districts may levy a tax rate of $18.40 for every $1,000 of assessed local property wealth without voter approval and $40.00 with voter approval. For operations and maintenance purposes, elementary and secondary districts may levy rates of $2.50 for every $1,000 of assessed local property wealth without voter approval and $5.50 with voter approval, while K-12 districts may levy a rate of $5.00 for every $1,000 of assessed local property wealth without voter approval and $7.50 with voter approval. School districts are also limited in the tax rates they may impose for specific purposes: For special education, elementary and secondary districts may levy rates of $0.20 for every $1,000 of assessed local property wealth without voter approval and $4.00 with voter approval, while K-12 districts may levy a rate of $0.40 for every $1,000 of assessed local property wealth without voter approval and $8.00 with voter approval. Other levies for specific purposes, including those to fund vocational building programs, capital improvements, transportation, and summer school programs, are subject to their own limits and voter approval requirements.

The law also provides for counties to opt into a different set of property tax limitations. School districts in counties that do so are exempt from the limit on the tax rate for educational purposes. They are instead limited to property tax increases of the lesser of 5% or the increase in the national Consumer Price Index for the year preceding the levy year. Tax rate increases exceeding this limit require voter approval. Additionally, property taxes imposed by the board of Chicago Public Schools are bound by different limits on tax rates for educational purposes, capital improvements, and employer contributions to the Public School Teachers' Pension and Retirement Fund of Chicago.

Other Local Taxes for Education

School districts in Illinois may receive local revenue from school district property taxes and from county sales taxes.

Though school districts in Illinois may impose only local property taxes, counties may impose a tax on retailers and service providers as a percentage of sales receipts for school facilities expenses or to provide for school resource officers or mental health professionals. In order to impose this tax, the county must have the support of the school boards representing more than half the students in the county and the approval of voters in a referendum. Counties may impose a rate of up to 1% to raise revenue for school facilities expenses. The tax may be imposed only in multiples of 0.25%. The revenue raised by the sales tax is distributed to school districts within the county based on a district's enrollment as compared with the total number of resident students in the county as a whole.

Student Characteristics

Grade Level

Illinois provides different levels of funding for students in different grade levels. It does so through its resource-based formula by specifying different student-to-teacher ratios for two different grade spans and providing funding for teacher positions accordingly.

The state assigns a student-to-teacher ratio of 20 to 1 for grades K-3 and 25 to 1 for grades 4-12. These ratios determine the number of teaching units to which a district is entitled. The ratios are lower for students from low-income households in these grade spans (see "Poverty" for a description of this calculation). Specialists, principals, assistant principals, guidance counselors, librarians, and certain other staff members are also assigned in accordance with different student-to-staff ratios depending on the type of school (elementary, middle, or high schools). Once all staff positions are calculated for a district, with grade-level variation taken into account, a district's formula calculation includes a dollar amount for each position that matches the state average salary for that position. These calculations form the basis of districts' calculated education costs.

Because the state plans to move toward full formula funding over the span of a number of years, annual increases in funding are distributed to districts with the greatest need for state assistance. To determine need, districts are assigned to a percentile ranking comparing their ratio of resources to education costs against those of all other districts. Districts are then sorted into tiers according to the degree to which their local resources can be expected to cover their local education costs, and a greater percentage of available state aid is distributed to districts with less ability to fund their own education costs.

English-Language Learner

Illinois provides increased funding for English-language learners. It does so both through its resource-based formula by calculating specific funding for English-language learner staff positions and through program-based allocations.

English-language learners generate additional staff positions in their districts' formula calculations. The state assigns an English-language learner-to-teacher ratio of 100 to 1 for English-language learner core teachers, 125 to 1 for intervention teachers, 125 to 1 for pupil support teachers, 120 to 1 for extended-day teachers, and 120 to 1 for summer school teachers. Eligible students are those participating in transitional bilingual or other transitional English-language instruction programs either (1) who were not born in the United States, whose native tongue is a language other than English, and who are incapable of performing ordinary classwork in English; or (2) whose parents possess limited English-speaking ability and who are unable to perform ordinary classwork in English. Once all staff positions are calculated for a district, the district's formula calculation includes a dollar amount for each position that matches the state average salary for that position. Because the state plans to move toward full formula funding over the span of a number of years, annual increases in funding are distributed to districts with the greatest need for state assistance. To determine need, districts are assigned to a percentile ranking comparing their ratio of resources to education costs against those of all other districts. Districts are then sorted into tiers according to the degree to which their local resources can be expected to cover their local education costs, and a greater percentage of available state aid is distributed to districts with less ability to fund their own education costs.

The state also provides program-based funding to districts for English-language learner technical assistance, professional development, and other support services. Separately, districts continue to receive funding from the state that is equal to or exceeds the amount they received prior to the state's last major funding reform, which included a grant for English-language learner education.

Poverty

Illinois provides funding for students from low-income households. It does so through its resource-based formula by specifying student-to-staff ratios for students from low-income households and calculating specific funding for dedicated staff positions.

The state's student-to-teacher ratios for different grade spans are decreased for students from low income households. Students are counted as low income if they are eligible for Medicaid, the Children's Health Insurance Program, Temporary Assistance for Needy Families, or the Supplemental Nutrition Assistance Program. The state assigns a student-to-teacher ratio of 15 to 1 for students from low-income households in grades K-3 and 20 to 1 for students from low-income households in grades 4-12. Students from low-income households also generate additional staff positions for their districts. The state assigns a low-income-student-to-teacher ratio of 125 to 1 for intervention teachers, 125 to 1 for pupil support teachers, 120 to 1 for extended-day teachers, and 120 to 1 for summer school teachers. Once all staff positions are calculated for a district, with grade-level variation taken into account, the district's formula calculation includes a dollar amount for each position that matches the state average salary for that position. Because the state plans to move toward full formula funding over the span of a number of years, annual increases in funding are distributed to districts with the greatest need for state assistance. To determine need, districts are assigned to a percentile ranking comparing their ratio of resources to education costs against those of all other districts. Districts are then sorted into tiers according to the degree to which their local resources can be expected to cover their local education costs, and a greater percentage of available state aid is distributed to districts with less ability to fund their own education costs.

If grade-specific counts of students from low-income households are unavailable, the state applies a district's general percentage of students from low-income households to the total count of students in each grade to estimate a grade-specific number of students from low-income households. Separately, districts continue to receive funding from the state that is equal to or exceeds the amount they received prior to the state's last major funding reform, including a portion of a grant that was calculated based on a district's concentration of students from low-income households.

Special Education

Illinois funds special education using a hybrid system incorporating a resource-based system, which determines the cost of delivering special education based on the cost of the resources required to do so, and census-based assumptions, which assume that a set percentage of students in each district will require special education services.

Special education is funded through support for additional staff positions. These positions are allocated in accordance with student-to-teacher ratios that are based on a district's full enrollment count rather than on a count of students with disabilities. The state assigns a student-to-staff ratio of 141 to 1 for special education core teachers and instructional assistants and 1,000 to 1 for psychologists. Once all staff positions are calculated for a district, the district's formula calculation includes a dollar amount for each position that matches the state average salary for that position. Because the state plans to move toward full formula funding over the span of a number of years, annual increases in funding are distributed to districts with the greatest need for state assistance. To determine need, districts are assigned to a percentile ranking comparing their ratio of resources to education costs against those of all other districts. Districts are then sorted into tiers according to the degree to which their local resources can be expected to cover their local education costs, and a greater percentage of available state aid is distributed to districts with less ability to fund their own education costs.

The remainder of state education funding is distributed through program-specific allocations, including funding for special education transportation and full or partial reimbursements for tuition for students with disabilities enrolled in private schools or under state guardianship. Separately, districts continue to receive funding from the state equal to or more than the amount they received prior to the state's last major funding reform (with minor adjustments), which included three grants related to special education.

Gifted

Illinois provides increased funding for gifted and talented students. It does so by adding a flat allocation for each student in a district.

For FY2022, the state increased each district's formula calculation by $90 per student to support gifted and talented education. This money is calculated in accordance with the total enrollment of a district rather than a specific count of gifted and talented students.

Because the state plans to move toward full formula funding over the span of a number of years, annual increases in funding are distributed to districts with the greatest need for state assistance. To determine need, districts are assigned to a percentile ranking comparing their ratio of resources to education costs against those of all other districts. Districts are then sorted into tiers according to the degree to which their local resources can be expected to cover their local education costs, and a greater percentage of available state aid is distributed to districts with less ability to fund their own education costs.

Career and Technical Education

Illinois provides increased funding for career and technical education (CTE) programs. It does so through program-based allocations.

In FY2022, the state allocated $43.06 million for CTE programs. The state also allocated $5 million for grants to districts conducting agricultural education programs.

District Characteristics

Concentrated Poverty

Illinois does not provide increased funding for districts based on the concentrations of students from low-income households that they serve. However, Illinois does provide funding for individual students from low-income households (for more information, see "Poverty").

School districts in Illinois continue to receive funding from the state that is equal to or exceeds the amount they received prior to the state's last major funding reform, including a portion of a grant that was calculated based on a district's concentration of students from low-income households.

Sparsity and/or Small Size

Illinois does not provide increased funding for sparse districts or for small schools or districts.

Charter Funding

Funding for charter schools in Illinois is calculated based on local school district expenditures.

Charter schools in Illinois receive funding based on the average per-student expense in the authorizing school district, in the case of locally authorized charter schools, or in the district(s) where charter students reside, in the case of state-authorized charter schools.

Charter schools in Illinois receive a share of local tax revenue. Charter schools authorized by local school districts receive both state and local funding from the district, while charters authorized by the state receive all funding directly from the state, including revenue raised by local school districts. For state-authorized charters, the state withholds a portion of state aid from the charter students' school district(s) of residence and transfers that amount to the charter school to account for its lack of access to local revenue.

For a complete list of primary sources, please see the appropriate state page at funded.edbuild.org

